

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 3
Mtg. Date June 2, 2015
Dept. City Manager's Office

Item Title: City Council Salary

Staff Contact: Graham Mitchell, City Manager

Recommendation:

Introduce and conduct the first reading, by title only, of Ordinance No. 429 (**Attachment B**), establishing City Council salaries after the 2016 municipal election and a resolution (**Attachment C**) adjusting the automobile reimbursement allowance.

Item Summary:

In 2014, the City Council discussed compensation for elected officials representing the City. The topic was raised during the budget discussion on May 19, 2015. The City Council has not adjusted City Council compensation since October 2007. The purpose of this staff report is to recommend adjustments to the City Council salary and auto allowance rates. Staff has prepared a report (**Attachment A**) that provides background information and an analysis of the proposed rate adjustments. Staff has also prepared an ordinance (**Attachment B**) adjusting the City Council salary that would take effect after the 2016 municipal election and a resolution (**Attachment C**) adjusting the City Council auto allowance.

Fiscal Impact:

Adjusting City Council compensation will have an annual budget impact of \$6,759 beginning in December 2016. Adoption of the resolution modifying auto allowance will have a \$1,500 impact on the FY 2015-16 budget—the impact on the General Fund will \$1,125.

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section [] | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

- A. Staff Report
- B. Ordinance No. 429
- C. Resolution

Attachment A

LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 3

Mtg. Date June 2, 2015

Item Title: City Council Salary

Staff Contact: Graham Mitchell, City Manager

Discussion:

On several occasions, the City Council has deferred action on considering an adjustment to its compensation. The last time an adjustment occurred was after the 2008 municipal election. Pursuant to Government Code Section 36516, a City Council may increase its salary by a maximum of five percent per year from the operative date of the last adjustment. Between 2008 and the 2016 (the year of the next municipal election), based on California code, the City Council may legally adjust its salary by 40 percent (8 years multiplied by 5 percent).

Alternatively, since 2008, the consumer price index has increased by 10.6 percent (based on the San Diego region according to the Bureau of Labor Statistics). Using consumer price index forecasts, staff anticipates increases by 1.5 percent in 2015 and 1.8 percent in 2016. Based on these increases, the City Council may consider a salary increase of 13.9 percent that would be effective after the 2016 municipal election.

The last time the City Council adjusted its auto allowance was on July 1, 2006. Since July 1, 2006, the consumer price index has increased by 16.8 percent. Based on this increase, the City Council may also consider an auto allowance adjustment of 16.8 percent, which would become effective July 1, 2015.

Staff has prepared an ordinance (**Attachment B**) that adjusts the City Council salary by 13.9 percent and a resolution (**Attachment C**) that adjusts the City Council auto allowance by 16.8 percent.

Using the consumer price index method, monthly salaries for City Council members increase from \$705 to \$803 and the salary for the Mayor increases from \$1,234 to \$1,405.25. This increase will have an annual impact of \$6,759 beginning in 2016. Also, using the consumer price index method, the monthly auto allowance would increase from \$150 to \$175. The impact on the FY 2015-16 budget is \$1,500—\$1,125 of which is allocated to the City's General Fund. |

Conclusion:

Staff recommends that the City Council introduce Ordinance No. 429 (**Attachment B**), an ordinance establishing City Council salaries, and conduct its first reading, by title only. Staff also recommends that the City Council consider adopting a resolution (**Attachment C**) establishing an adjusted auto allowance rate.

ORDINANCE NO. 429

ORDINANCE OF THE LEMON GROVE CITY COUNCIL AMENDING LEMON GROVE MUNICIPAL CODE SECTION 2.16.010 ESTABLISHING CITY COUNCIL SALARIES

WHEREAS, California Government Code 36516 regulates the process by which a city council may increase its salary; and

WHEREAS, effective October 16, 2007, Ordinance No. 365 established the rate of salary for the City Council and Mayor; and

WHEREAS, after review and discussion, the City Council has determined it appropriate to adjust salary ranges within the rate of increase as prescribed by California Government Code 36516; and

WHEREAS, pursuant to California Government Code 36516.5, the adjusted salary rate will not become effective until the seating of the City Council after the certification of the 2016 Lemon Grove municipal election.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Lemon Grove that Section 2.16.010 of the Lemon Grove Municipal Code is hereby amended as follows:

2.16.010 Established.

A. Salaries for members of the city council are established pursuant to the provisions of the Government Code in the sum of eight hundred and three dollars (\$803.00) per month.

B. Effective Date. Payment of compensation at said established level shall commence upon certification of the results of the Lemon Grove municipal election in the year 2016.

/////

/////

Attachment B

RESOLUTION NO. 2015-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA ESTABLISHING THE RATE OF AUTOMOBILE ALLOWANCE POLICY FOR CITY COUNCIL MEMBERS

WHEREAS, in 2006, the City Council, by way of Resolution No. 2636, established an Automobile Reimbursement Allowance Policy; and

WHEREAS, Resolution No. 2636, established an Automobile Reimbursement Allowance rate of one hundred fifty dollars (\$150.00) per month to pay for the use of personal vehicles for short trips, defined as twenty (20) miles or less; and

WHEREAS, the cost of operating an automobile has increased since 2006; and

WHEREAS, the City Council wishes to establish an equitable Automobile Reimbursement Allowance for short vehicle trips; and

WHEREAS, the City Council, by applying a Consumer Price Index rate since 2006, deems that an adjusted rate of one hundred seventy-five dollars (\$175.00) per month is equitable.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby directs that the Automobile Reimbursement Allowance be established at one hundred seventy-five dollars (\$175.00) per month, effective July 1, 2015.

/////
/////